New Form submission on Planning for Melbourne’s Industrial and Commercial Land

Hi planning.implementation@delwp.vic.gov.au

There has been a submission on Planning for Melbourne’s Industrial and Commercial Land through Engage Victoria

A copy of the submission is provided as below:

Planning principles and strategies for employment land.

The draft Melbourne industrial and commercial land use plan includes principles and strategies to guide planning for industrial and commercial land. (page 32).

Do you think the principles and strategies provide enough clarity and guidance to assist planning for industrial and commercial land?

If no, please let us know why and how they could be improved.
Criteria to identify regionally-significant industrial precincts.

Plan Melbourne identifies state-significant industrial precincts. The draft Melbourne industrial and commercial land use plan identifies regionally-significant industrial precincts and includes criteria used as the basis to identify these locations (page 34).

Do you support the criteria developed to identify regionally-significant industrial precincts?

If no, please let us know why and how they could be improved.

Purpose for regionally-significant industrial precincts and local industrial precincts.

Plan Melbourne outlines a purpose for state-significant industrial precincts. The draft Melbourne industrial and commercial land use plan identifies a purpose for regionally-significant industrial precincts and local industrial precincts (page 35).

Do you support the purpose developed for regionally-significant industrial precincts and local industrial precincts?

If no, please let us know why and how they could be improved.

Developing local industrial land use strategies.
Appendix 2 of the draft Melbourne industrial and commercial land use plan proposes guidance for developing local industrial land use strategies.

Do you have any comments or suggestions to improve the guidance for developing local industrial land use strategies?

Key industrial and commercial areas.

The draft Melbourne industrial and commercial land use plan identifies and describes key industrial and commercial areas for each of the six metropolitan regions (refer to Part B of the plan).

Have the key industrial and commercial areas been adequately identified and described across the regions?

If no, please let us know which other area we should identify or how the areas can be better described.

Would you like to comment on any other aspects of the plan?

If you would like to upload a submission, please do so here.

I am making this submission:
on behalf of a land owner

Email address (Optional)

I agree to receive emails about my submission if required or project updates.
Yes

Privacy Statement - Draft Melbourne Industrial and Commercial Land Use Plan

What we will do with your submission

The Department of Environment, Land, Water and Planning (DELWP) is committed to protecting personal information provided by you in accordance with the principles of the Victorian privacy laws. The submission you provide to DELWP will be used to inform the finalisation of the Melbourne Industrial and Commercial Land Use Plan.

The information you provide will be made available to DELWP to develop a consultation report. This report will be uploaded to the Melbourne Industrial and Commercial Land Use Plan page on the DELWP website.

The contact information you provide may be used to contact you should we need to clarify your submission or to provide you with project updates.

The submission you provide will be published on the DELWP website. To protect individual privacy, DELWP will remove your name and address from your submission when we receive it.

If you do not wish to be identified, please ensure there is no other information in your submission that could identify you or other individuals.
If you are making comment as an organisation, then your comments may be published, including the name of your organisation.

De-identified submissions may be used by DELWP, or its contracted service providers under confidentiality agreements, in preparing its recommendations to government.

Please note, if you do not provide your name/email address we will not be able to identify your submission if you wish to access it, make a correction, or require technical support.

Should you need to correct the information you provided or gain access to your submission, please contact us via email at planning.implementation@delwp.vic.gov.au

I agree to the privacy statement

yes

To view all of the form’s submissions, visit:


Regards,

The Engage Victoria Team

This is not SPAM. You are receiving this message because you have submitted feedback or signed up to Engage Victoria. If you think you have been sent this by mistake please contact us at contact@engage.vic.gov.au

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20 December 2019

Department of Environment, Land, Water and Planning
8 Nicholson St,
East Melbourne, VIC 3002

DRAFT MELBOURNE INDUSTRIAL AND COMMERCIAL LAND USE PLAN

This letter presents a formal submission on behalf of Donnybrook JV Land Holdings (DJV) to the Draft Melbourne Industrial and Commercial Land Use Plan (the Draft Plan) which was released for comment in November 2019. We outline here our comments in relation to the approach that has been undertaken to arrive at the Draft Plan, and the appropriateness of the inclusion of DJV’s land within an area designated as ‘Regionally Significant Industrial Land – Future’.

DJV have interests in land holdings at 960 and 1030 Donnybrook Road, Donnybrook. This land falls within the Shenstone Park Precinct Structure Plan (PSP) area. The PSP is still under consideration, with the most recent Draft PSP released by the Victorian Planning Authority (VPA) in September 2019. Although parts of the Shenstone Park PSP are likely to include industrial and other employment areas due primarily to the location within a buffer area around the Woody Hill quarry, the extent of this employment land is still under contention.

It appears that the ‘Regionally Significant Industrial Land – Future’ area in Donnybrook shown in the Draft Industrial and Commercial Use Plan has replicated the area previously designated in the North Growth Corridor Plan (2012) as an ‘investigation area’. It is DJV’s view that these investigations into the future use of this area are ongoing. As such, they are concerned the designation of the land as being within a future Regionally-Significant Industrial Precinct, without proper consideration of the merits of the entire area being designated in such a way, could prejudice DJV’s interests as the PSP is finalised.

HISTORY OF DESIGNATION OF LAND AT SHENSTONE PARK

Before considering the Draft Plan, we have summarised here the history of planning for the Shenstone Park area, demonstrating the employment land has not been designated due to an identified need, but primarily as a buffer to the nearby quarry.

The proposed industrial land in the Shenstone Park PSP area generally surrounds the existing Woody Hill Quarry site, immediately adjacent to the large future residential areas in the Donnybrook/Woodstock PSPs north of Donnybrook Road and within the Shenstone Park PSP, isolated from either current or future major industrial precincts in Melbourne’s Northern Region.

The subject area was first identified as part of an ‘investigation area’ in the North Growth Corridor Plan (2012) (NGCP). As detailed on page 71 of the Plan, approximately 100 ha gross of land south of Donnybrook Road was identified as having potential for future industrial use. However, this appears to have been a response to creating separation from more sensitive land uses and the Woody Hill Quarry. Other than that, there is no strategic justification provided as to why there is a need for industrial land in this location.
The Northern Quarries Investigation Area (NQIA) Addendum was prepared as recommended in the NGCP. This addendum identified land for employment around the Woody Hill Quarry but reduced the extent of the land to the north east within the Shenstone PSP area after the necessary buffer distances were reviewed.

We note most of the proposed employment areas within the NQIA identified in the Addendum were indicated to be around the larger quarry sites further south, where access to future infrastructure (including an upgraded Summer Hill Road) would be more convenient. The Addendum identified 715 ha more employment land than the Growth Corridor Plan in this region.

The Addendum also appears to have only provided a cursory review of the need and location of future employment land, much less than the Growth Corridor Plan had indicated should be undertaken. Nonetheless, it continued to only define employment land in this area as a buffer response.

Subsequently, the potential extent of employment land in the Shenstone Park area has been reviewed through the preparation of the Draft Shenstone Park PSP (2017) and recently, the Draft Shenstone Park PSP (2019). The 2019 Draft was supported by an economic assessment prepared by Ethos Urban which confirmed the previous designation and buffers are the primary reasons for employment land designation in the Shenstone Park area:

“The Melbourne North Growth Corridor Plan (2012) and constraints to potential land uses associated with buffer areas from the Woody Hill Quarry are two major influences for the designation of land in the FUS [Future Urban Structure] as employment.”

Ethos Urban, Shenstone Park PSP Retail and Employment Needs, Sept 2019, Pg 1

Even the ‘long-term’ industrial land is a bi-product of the buffers:

“An additional 34ha has been identified as ‘long-term’ industrial and is located within the 200m blast buffer of the Woodhill Quarry. The future development of this land will occur after the completion of quarrying activities at Woody Hill quarry.”

Ethos Urban, Shenstone Park PSP Retail and Employment Needs, Sept 2019, Pg 21

However, the Draft Melbourne Industrial and Commercial Land Use Plan (2019) which has now subsequently been released has seemingly ignored the detailed land use planning undertaken over the last 7-8 years, reverting in the area to only showing the land identified in the NGCP to the north of Woody Hill Quarry, rather than the extensive employment land identified further south within the NQIA.

Throughout the various iterations of planning for the area there was no strategic justification for the employment/industrial land in the Shenstone Park area, other than as a response to the quarry buffers. Seemingly, the extent of industrial land simply changed as the buffer distances moved. This continues to be reflected in the Draft Plan with Shenstone Park employment land providing ‘...an important buffer to existing and proposed quarry operations, a proposed sewerage treatment plant to the south, and nearby residential land uses’ (pg. 56 of the draft DELWP Plan).
OVERVIEW OF THE DRAFT PLAN PROCESS

We note the Draft Plan ‘seeks to put in place a planning framework that will enable state and local government to more effectively plan for future employment and industry needs, and better inform strategic directions’ and is expected to ‘play an important role in supporting Melbourne’s industrial and commercial areas to thrive and will help to facilitate a more diverse industrial and commercial base, while also providing long-term business and employment opportunities’ (pg. 1, the Draft Plan).

We recognise the importance of planning for industrial and commercial land to be set aside for the future development and economic viability of the city. However, we are of the view that when it comes to designating specific areas for future industrial or commercial use, close consideration needs to be given to the merits of a location for that use. It is one thing to have enough land set aside for industrial and commercial use, but it is another to have enough land in the right locations.

The Draft Plan does not appear to have quantified the need for industrial land in the regions. Rather the existing supply of vacant zoned and unzoned land that has been previously identified is compared against the most recent observations of industrial land consumption to arrive at a length of time the available land will last until exhausted. While the years of supply differs between regions, the Draft Plan’s recommendations in each region generally appear to be to retain previously identified areas, often by designating them ‘Regionally Significant’, and then to consider opportunities for further future land to be set aside.

However, there appears to be no strategic assessment as to the merits of any designated land for its intended purpose, either in the Draft Plan or the supporting documents. Nor have any alternative locations that may be better placed to serve as industrial or commercial land been considered. The Draft Plan simply replicates the land allocations from previous state government documents, which in turn have also generally not considered in detail the appropriateness of land for commercial or industrial use.

The Draft Plan does introduce a new land classification system based on the significance of the land for industrial and commercial use. As detailed on page 33 of the Draft Plan, the industrial areas are classified as follows:

- **State Significant Industrial Precincts (SSIPs)** – consistent with the Plan Melbourne definition to encompass the Western, Northern, Southern, Officer-Pakenham and Hastings SSIPs.

- **Regionally Significant Industrial Precincts (RSIPs)** – key established industrial areas supporting a wide range of industrial or new uses, and future employment areas identified in the Growth Corridor Plans to support jobs in Melbourne’s outer areas and to meet ‘longer term’ industrial and logistics needs.

  A list of criteria has also been used to identify such RSIPs under the three broad categories of 1) Policy Alignment; 2) Accessibility and Business Clustering; and 3) Economic or Employment Contribution (pg. 34, ibid). These criteria are discussed and assessed in more detail through the remainder of this letter.

- **Local Industrial Precincts (LIPs)** – industrial areas not identified as SSIPs or RSIPs, which are expected to be at Councils’ discretion to determine land use direction through undertaking an industrial land use strategy to support local planning policies for industrial land.
Of relevance to this submission, the Shenstone Park area has been identified as a RSIP within the Northern Region. As discussed above, the boundary of that area appears to match the area shown in the 2012 North Growth Corridor Plan. The remainder of this letter presents a more detailed assessment of whether such designation is appropriate in the broader regional context.

THE NORTHERN REGION

We consider here the analysis of the supply and demand of industrial space in the Northern Region presented in Part B of the Draft Plan. Our review has highlighted several key issues in the approach taken to arrive at land designation for all regions of Melbourne. While the discussion here focuses on the Northern Region as the region of relevance to the DJV land, the following issues appear to apply equally to other regions:

- **Limited background research supplied.** We note that there are some supporting documents provided as background for the Southern Region. There is no such research supplied for any other region of Melbourne. As such, it appears expansion of this review to other regions beyond the South has been an after-thought, with no evidence of any strategic research or analysis undertaken to inform the position reached in regard to the designation of land as state, regionally or locally significant.

- **No strategic guidance as to the role the Region should play within the metropolitan context in terms of industrial development.** Other than reiterating the current employment facts for the Region, the Draft Plan has provided little evidence base to identify the role the Northern Region is expected to play relative to others. While there is some industry trend analysis, there is little consideration of how these trends might change the demand for industrial land in the Region over time.

- **A lack of clarity as to whether the identified supply is adequate.** The overarching supply timeframe the Draft Plan has proposed is 30 years (including at least 15 years of zoned supply) for all of Melbourne (Principle 1, pg. 32). In situations where there is more than 30 years supply nominated, does that imply there is excess land that may enable some of the previously designated land to be converted to other uses to ensure a better balance between supply and demand? This is particularly true of the Northern Region, where according to the Draft Plan there is up to approximately 35 years of zoned supply based on historical demand and another 38 years of unzoned supply in areas identified for future industrial purposes (pg. 67). Any reduction of industrial land supply in this appears unlikely to impact on the ability of the area to meet industrial user needs for the next 30+ years.

- **No accurate quantification of industrial land demand in each region or across Melbourne over the time horizon.** Unlike the framework for commercial land in the Draft Plan which is based on projected demand for retail and office space over the period to 2031, no such quantitative analysis is presented in the document to support the identification of the industrial land use, at either the metropolitan or the regional level.

While historical industrial land absorption levels (i.e. Urban Development Program or UDP Industrial land data) provide an indication of potential demand in the short term, it is far from sufficient to guide long-term planning, given the rapid evolution of the industrial sectors that is
only likely to accelerate over the next three decades. If the Plan is intended to be a strategic planning document, further detailed analysis is needed to provide the necessary strong evidence base in support of the framework and to guide long-term industrial land use planning at a regional level.

- **Most critically, there appears to be no assessment of the merits of the proposed industrial precincts and their suitability for the nominated use.** As detailed earlier, there is little value in setting aside land for industrial use to meet a land area requirement if the land is not suited to the intended purpose.

State-Significant Industrial Precincts have previously been nominated in Plan Melbourne, with the Draft Plan appearing to endorse those locations subject to some minor amendments to reflect changing land use and emerging areas to be included.

However, Regionally-Significant Precincts are a new concept with a set of criteria supposedly used as a basis for identifying them. There are no criteria for Local precincts to understand how the two types are distinct. It is not clear, with no background evidence provided, how the nominated precincts rate against those criteria to warrant their classification. This appears to be true for the Shenstone Park area, as discussed further below.

**REVIEW OF THE DESIGNATION OF SHENSTONE PARK PSP**

It is important to note that the industrial/employment land in Shenstone Park has always only been set aside as a response to the buffer area around the Woody Hill quarry. Even within the North Growth Corridor Plan, the land was only identified as an ‘investigation area’. It has never been established as being required to meet the industrial needs of the region, with a detailed assessment of its suitability as a major industrial precinct still yet to be fully tested. The discussion in the Draft Plan reflects this:

*To the north on Donnybrook Road, the Shenstone Park PSP area includes approximately 94 hectares of industrial land identified in the North Growth Corridor Plan. This land provides an important buffer to existing and proposed quarry operations, a proposed sewerage treatment plant to the south, and nearby residential land uses. This precinct has good access to the Hume Freeway from Donnybrook Road.* (pg. 64)

The designation of the Shenstone Park land as Regionally-Significant in the Northern area appears to be an anomaly. A quick glance at the future direction map in the Draft Plan (Map 8, pg. 71 and attached to this document) shows the land to be separated from the vast area of the Northern SSIP and major road connections. The supply and demand numbers in the Draft Plan also indicate 73 years of future supply in the Northern region. Secondary industrial locations such as this will suffer from extensive competition in better connected areas.

In our view, Shenstone Park is not positioned to serve a regional role, while the extent of the area designated could well be reduced significantly once a comprehensive assessment of the merits of the land for its intended purpose is undertaken through the PSP process. Our assessment of Shenstone Park against the criteria that the Draft Plan has identified for Regionally-Significant precincts is presented in Table 1 attached.

The Shenstone Park area **almost ticks no boxes** when assessed against the set of criteria for identifying RSIPs. There is no justification for the designation of the PSP in the framework to join the
likes of the Melbourne Airport Business Park, the La Trobe NEIC or the Uni Hill Business Park, which are also designated as ‘Regionally Significant Industrial Land – Existing’ (refer Map 8 attached).

In our view, the proposed industrial land in the Shenstone Park area would be more suited as a local industrial precinct supporting local businesses and employment opportunities, requiring a much smaller land area than shown in the Draft Plan.

**SUMMARY**

Based on our review of the Draft Industrial and Commercial Land Use Plan, we draw the following key conclusions in relation to the treatment of Shenstone Park, including DJV’s land:

- The Draft Plan provides an **insufficient evidence base to identify the amount of industrial land needed** in each Region, nor is there enough clarity around the time horizon required to guide current and future planning of industrial land at the regional level. This can be ascribed to an absence of strategic positioning for each region in terms of industrial development.

- There appears to be **more than enough industrial land set aside in the Northern region**, with the current supply expected to last 73 years based on recent consumption levels. As a secondary location, it will be very difficult to support a large industrial precinct at Shenstone Park outside of the large supply still available in the Northern SSIP.

- There is **no assessment of, or justification for, the proposed designation of industrial precincts** in the land use framework against the criteria that the Draft Plan has set out. Currently zoned or proposed industrial precincts previously identified continue to be maintained and potentially protected further by the Regionally-Significant classification, even though there is no evidence of a thorough assessment of the merits of each location.

- Consequently, **Shenstone Park has been classified as a RSIP even though it does not seem to meet any of the necessary criteria**. It is best classified as a Local industrial precinct. It has only been identified as a solution within the buffer area of the quarry, rather than meeting employment targets or serving a regional catchment.

As such, we respectfully request that the Department address the concerns raised in formulating a final version of the *Melbourne Industrial and Commercial Land Use Plan*. This includes presenting more detail as to the way in which precincts have been classified. It should also be recognised that as the investigations as to the appropriateness of industrial/employment land at Shenstone Park are on-going, the area should be appropriately flagged as still being under review.

We believe the proposed industrial precinct in Shenstone Park should not be classified as Regionally-Significant, but can in future serve a role within the quarry buffer as a Local Industrial Precinct.
I trust this submission is of assistance. We would welcome the opportunity to discuss the issues raised further. I can be contacted on [redacted] or via [redacted] and can pass on information to the Donnybrook JV Land Holdings

Yours sincerely,

[Redacted]

Director, Urbis
On behalf of Donnybrook JV Land Holdings
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<tr>
<th>Criteria</th>
<th>Assessment</th>
<th>Tick the Box (Y/N)</th>
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<tr>
<td>Policy Alignment</td>
<td>The area exhibits a strong relationship with or supports other places of state significance such as national employment and innovation clusters (NEICs) or transport gateways. The area has been identified through growth area planning as a larger industrial estate offering good freeway and arterial road access and can provide for the industrial land requirements of firms that serve metropolitan wide, national or international markets.</td>
<td>No</td>
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<td>The proposed industrial land in the PSP is isolated from either current or future major industrial precincts in Melbourne’s Northern Region, such as the NorthernSSIP. Nor is it anywhere close to any of the NEICs or key transport gateways (e.g. Melbourne Airport). While the area was first mentioned and identified in the North Growth Corridor Plan (2012) as the Northern Quarries Investigation Area as having potential for future industrial use, this appears to have been a response to creating separation from more sensitive land uses around the Woody Hill Quarry. Other than that, there is no strategic justification provided as to why there is a need for industrial land in this location. Nor the land has direct access to freeway or arterial road. Donnybrook Road provides the only access to the wider road network but would have to be shared with resident vehicles, a major drawback for any industrial precinct development.</td>
<td>No</td>
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<td>The area has been identified in council strategies as being a core or primary industrial area that should be retained, or that provides for significant employment opportunities by virtue of the size of the area</td>
<td>No</td>
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<td>Accessibility &amp; Business Clustering</td>
<td>No council strategies have identified the subject area to be retained as a core or primary industrial area. The modest size of the land, when designated as industrial land that typically generates a low average employment density, is also unlikely to support a large number of jobs, particularly in the context of the vast areas of industrial land nearby in the NorthernSSIP.</td>
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<td>The area or precinct can leverage off existing or proposed rail and road networks and infrastructure, including the Principal Freight Network (PFN)</td>
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<td>While the subject industrial land is located near the Donnybrook Train Station on the Melbourne-Sydney Railway (PFN-Rail), it provides little benefit to future industrial tenants. The station is expected to be heavily used by future residents in the area. It would cause major conflicts if it were used for loading materials or products of industrial purposes. There is a huge distinction between an area being in close proximity to the PFN and being able to utilise or benefit from the PFN.</td>
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<td>The area provides for the clustering of industrial uses with limited or no residential intrusion and can be</td>
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<td>The area is extensively surrounded by residential land, with direct residential interface to the north (i.e. Donnybrook/Woodstock PSPs) and the east (residential land in Shenstone Park PSP).</td>
<td>No</td>
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<td>adequately buffered from sensitive uses</td>
<td>The area itself is intended to serve as a buffer around the local sensitive use (i.e. Woody Hill Quarry), rather than being buffered by other land. With the subject land currently being vacant and only occupying a secondary location relative to other major industrial precincts, it is highly unlikely that it would attract tenants that are able to generate some level of synergies in the foreseeable future. Areas such as this would be almost impossible to compete in a region where there is a significant amount of industrial land supply in much superior locations, which in most cases would provide far better choices for developers or tenants, leaving the area either vacant or having a very low level of activity over an extended period of time (noting the Region has up to 35 years of zoned supply according to the Plan already).</td>
<td>Current: No  Future: Unlikely</td>
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<td>The precinct provides for contiguous areas of industry with similar, related or dependent industrial or commercial activities</td>
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<td>Economic &amp; Employment Contribution</td>
<td>The area generates a relatively high and ongoing economic output contributing to the region and state’s economy</td>
<td>Current: No  Future: Unlikely</td>
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<td>The modest size, the unfavourable site attributes and removal from larger employment precincts preclude the area from having the capacity to attract larger, anchor industrial tenants, hence the ability to generate high and ongoing economic contributions to the region or the state more generally.</td>
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<td>The area is a location of high levels of employment and/or capital goods, generating wider regional employment and economic benefits</td>
<td>Again, the subject area is removed from locations that generate high levels of employment or producing high levels of capital goods (i.e. fixed assets such as machinery, equipment, vehicles, etc.). Nor would it become one in future.</td>
<td>No</td>
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